

Message Text

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SUBJECT: CAPE BRETON COAL DEVELOPMENT PROGRAM ANNOUNCED

1. DEPUTY PRIMIN ALLEN MACEACHEN ANNOUNCED IN SYDNEY, NS, ON APR 11 THAT THE GOC STANDS READY TO FUND A CDOLS 265 MILLION COAL DEVELOPMENT PROGRAM FOR CAPE BRETON. PLANS INCLUDE A NEW MINE AT DONKIN, NS, COSTING CDOLS 100 MILLION AND A TWO-PHASE CDOLS 100 MILLION REHABILITATION OF NO. 26 COLLIERY IN GLACE BAY, NS, AS WELL EXPENDITURES OF CDOLS 65 MILLION FOR IMPROVEMENTS TO COAL TRANSPORTATION, SHIPPING, AND STORAGE FACILITIES. FINAL APPROVAL OF EXPENDITURES WILL DEPEND ON RESULTS OF FEASIBILITY STUDIES WHICH ARE EXPECTED TO TAKE ABOUT EIGHT OR NINE MONTHS. THE NEW MINE WOULD THEN REQUIRE FIVE TO SIX YEARS TO BRING INTO FULL PRODUCTION.

2. THE ONLY DISAGREEMENT BETWEEN LABOR AND MANAGEMENT CONCERNING MACEACHEN S ANNOUNCEMENT WAS WHETHER IT WAS THE BEST NEWS IN A CENTURY OR MERELY IN THREE-QUARTERS OF A CENTURY. WILLIAM (BULL) MARSH, PRESIDENT OF UMW DISTRICT 26 CALLED IT THE "GREATEST ANNOUNCEMENT MADE BY ANY FEDERAL GOVERNMENT REPRESENTATIVE IN NOVA SCOTIA OVER THE PAST
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100 YEARS". SUCH UNRESTRAINED EXUBERANCE COULD NOT BE COUNTENANCED BY ROBERT MATHESON, PRESIDENT OF CAPE BRETON DEVELOPMENT CORPORATION (DEVCO) WHO LOPPED A FULL 25 YEARS OFF MARSH'S ESTIMATE AND CALLED IT "VERY EXCITING NEWS AND PROBABLY THE MOST DRAMATIC DEVELOPMENT IN CAPE BRETON FOR THE PAST 75 YEARS."

3. COMMENT: IN A PROVINCE WHERE BOTH ENERGY AND JOBS ARE IN SHORT SUPPLY, MACEACHEN'S ANNOUNCEMENT WAS WELCOME INDEED. BULL MARSH ESTIMATED THAT THE PROGRAM MIGHT MEAN AS MANY AS 1200 NEW JOBS IN THE CAPE BRETON REGION WHERE UNEMPLOYMENT IN NOVA SCOTIA IS HIGHEST. TO MACROECONOMISTS WHO THINK IN TERMS OF MILLIONS OF JOBS AND BILLIONS OF DOLLARS, 1200 JOBS AND 265 MILLION DOLLARS PROBABLY SOUNDS LIKE SMALL POTATOES. TO A MAN LIKE MARSH, HOWEVER, JOBS AND DOLLARS MEAN MORE THAN A CURVE ON A GRAPH. IN THE AFTERMATH OF THE GLAD ANNOUNCEMENT, HE SAID

THE INJECTION OF 265 MILLION DOLLARS INTO THE ECONOMY IN A PLACE AS SMALL AS CAPE BRETON STAGGERS THE IMAGINATION. PEOPLE DO NOT REALIZE HOW WONDERFUL A THING THIS IS FOR THE AREA, NOT ONLY THE COAL INDUSTRY, BUT FOR ALL CITIZENS, BY THE STABILIZATION OF THE COAL INDUSTRY.

4. THOSE WERE HEARTFELT WORDS BY A MAN NOT GIVEN TO GUSHING. BUT DESPITE THE REJOICING AND THANKFULNESS, IT SHOULD NOT BE ASSUMED THAT THIS LARGESSE FROM OTTAWA WILL NECESSARILY ASSURE ELECTORAL GAINS FOR THE GRITS. CERTAINLY IN THE FEDERAP RIDING MOST DIRECTLY AFFECTED, CAPE BRETON-EAST RICHMOND, MP ANDY HOGAN (NDP) SEEMS UNCLASSIFIED

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INVULNERABLE. IN THE ADJOINING RIDING OF CAPE BRETON-THE SYDNEYS, HOWEVER, TORY MP BOB MUIR IS CONSIDERED VULNERABLE. IN 1974 HE WON BY FEWER THAN 2000 VOTES OVER SYDNEY LAWYER RUSSELL MACLELLAN. IF IT IS TO BE A MUIR-MACLELLAN CONTEST AGAIN IN 1978, THE NEW CAPE BRETON COAL DEVELOPMENT PROGRAM MAY PLAY A ROLE IN TIPPING THE SCALES AGAINST MUIR. END COMMENT. MOORE

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